

Message Text

LIMITED OFFICIAL USE

PAGE 01 KIGALI 00337 261036Z
ACTION OPIC-06

INFO OCT-01 AF-08 ISO-00 EB-08 /023 W
-----261050Z 125107 /14
R 250857Z MAR 77
FM AMEMBASSY KIGALI
TO SECSTATE WASHDC 4690

LIMITED OFFICIAL USE KIGALI 337

DEPT ALSO FOR OPIC

E.O. 11652: N/A
TAGS: EINV, OPIC, RW
SUBJECT: RWANDAN TEA PROJECT

REF STATE 63392

1. I APPRECIATE RAPID RESPONSE KIGALI 307 BUT BELIEVE THERE MISINTERPRETATION PURPOSE MY LUNCHEON FOR WERTHEIM PRINCIPALS. FOLLOWING REPEATED INTERVENTIONS ON POLITICAL LEVEL, I HAD HOPED USE INFORMAL OCCASION REBUILD RELATIONSHIPS AND IMPROVE CONFIDENCE ON WORKING LEVEL. TO THREATEN YET ANOTHER USG DEMARCH AT PRESIDENCY (PARTICULARLY WHEN WE UNCERTAIN HOW MANY OTHER OPIC/IFC "PRECONDITIONS" REMAIN THAT CANNOT BE WAIVED) WOULD IN MY JUDGEMENT SOLIDIFY OPPOSITION TO WERTHEIM PROJECT BY MIDDLE-LEVEL BUREAUCRATIC ELEMENTS WHICH HAD BEEN GIVING INDICATION OF MOVING AHEAD WITH PROJECT. AS WE AND WERTHEIM ARE PAINFULLY AWARE, PRESIDENTIAL POLICIES CAN BE FRUSTRATED AT THE WORKING LEVEL IF THERE IS A WILL TO DO SO. LONGER

TERM COOPERATION WITH RWANDAN REPS ON SIRT AND USINE BOARDS (THUS WITH GOR ITSELF) IS INDISPENSABLE TO PROJECT SUCCESS AFTER IMPLEMENTATION LOAN AGREEMENTS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 KIGALI 00337 261036Z

2. CRUX OF LATEST CRISIS APPEARS TO BE STATUS EXPATRIATE CONTRACTS FOR FACTORY MANAGER AND TECHNICIAN. REFTTEL COMMENT THAT CONTRACTS WERE IN FACT PRECONDITION TO LOAN DISBURSEMENT IF FIRST INDICATION WE HAVE HAD ON SUBJECT. 76 STATE 183450 DISCUSSED PRECONDITIONS LOAN DISBURSEMENT AND MADE NO MENTION OF CONTRACTS FOR USINE PERSONNEL. (I WOULD APPRECIATE RECEIVING COPY OF LIST OF REMAINING

PRECONDITIONS OPIC HAS AGREED SEND ARCHER).

3. IN ANY EVENT, IT APPEARS THIS MATTER COULD BE WORKED OUT BY BOARD TO WERTHEIM'S SATISFACTION IF HIS CAPITAL SUBSCRIPTION WERE PAID IN. DEPT. WILL RECALL BNR GOVERNOR BIRARA'S CONCERN ABOUT WERTHEIM DELAYS AT PAYING IN SUBSCRIPTION (76 KIGALI 781). I AM SHOCKED TO LEARN THIS HAS NOT YET BEEN DONE. WERTHEIM MENTIONS POSSIBILITY OF PAYING IN SUBSCRIPTION TO ENSURE ORCHESTRATING FAVORABLE BOARD VOTE ON LTP COMPROMISE. CANNOT THIS SAME PROCEDURE BE ADOPTED FOR ENSURING FAVORABLE ACTION ON CONTRACTS? BY SUGGESTING THAT THE EMBASSY INTERVENE WITH PRESIDENCY, USG WILL IN EFFECT BE ATTEMPTING TO FORCE WERTHEIM'S CHOICE OF MANAGEMENT PERSONNEL ON RWANDANS WHEN HE COULD HANDLE MATTER BY SIMPLE EXPEDIENT OF PAYING IN HIS SUBSCRIPTION.

4. I FEAR THIS IS ONLY THE BEGINNING OF BOARD DISPUTES AND UNLESS WERTHEIM CAN ESTABLISH A WORKING BUSINESS RELATIONSHIP WITH OTHER BOARD MEMBERS (I.E., NOT RELY ON USG POLITICAL INTERVENTION), THIS PROJECT HAS NO CHANCE OF SUCCESS. FOLLOWING HIS NUMEROUS TRIPS TO RWANDA, I HESITATE TO RECOMMEND HE UNDERTAKE STILL ANOTHER. HOWEVER, IF HIS CAPITAL SUBSCRIPTION WERE PAID IN, SATISFACTORY ARRANGEMENT THEN WORKED OUT AT A BOARD MEETING ON EXPATRIATE CONTRACTS FOLLOWED BY OPIC/IFC DISBURSEMENT, WERTHEIM'S PRESENCE TO "INAUGURATE" PROJECT WOULD GO FAR IN REMOVING REMAINING SUSPICIONS AND DOUBTS REGARDING HIS BUSINESS INTENTIONS. CRIGLER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TEA, PROGRAMS (PROJECTS), LOAN AGREEMENTS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Sent Date: 25-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KIGALI00337
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770104-0799
Format: TEL
From: KIGALI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770323/aaaaatdu.tel
Line Count: 89
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 888a61b2-c288-dd11-92da-001cc4696bcc
Office: ACTION OPIC
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 STATE 63392
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2999208
Secure: OPEN
Status: NATIVE
Subject: RWANDAN TEA PROJECT
TAGS: EINV, RW, OPIC, (WERTHEIM)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/888a61b2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009